

Winnipeg Housing Fundamentals

Presented Exclusively to Real Estate Investment Network

Real Estate Investment Network
Workshop Presentation
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Presented By:
Don White, CFA, CGA
WinnipegREALTORS® Commercial Division Chair

Peter Squire
WinnipegREALTORS® MLS® Market Analyst



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Winnipeg's MLS® Market



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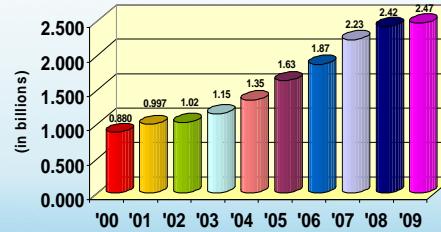
First Millennium Decade Speaks Volumes

- A decade noteworthy for price growth
- 2003 gets things going in earnest
- Six consecutive years of double-digit price increases
- First \$1 billion MLS® market progresses to \$2.5 billion
- RD sales consistently over 9,000 since 2005
- RD sales dollar volume reached \$2 billion in 2009
- RD days on market improve dramatically
- Condo sales finish decade with biggest market share ever
- Condo sales consistently over 1,000 since 2006



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MLS® Sales Dollar Volume January 1st to December 31st



Year	MLS® Sales Dollar Volume (in billions)
'00	0.880
'01	0.997
'02	1.02
'03	1.15
'04	1.35
'05	1.63
'06	1.87
'07	2.23
'08	2.42
'09	2.47



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MLS® Sales to Active Listings Comparison

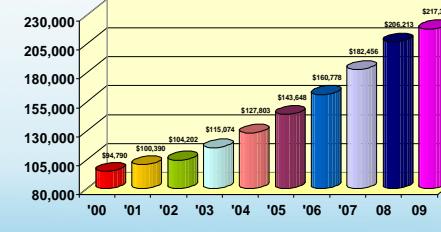


Year	MLS® Sales to Active Listings (%)
2000	62.13%
2001	66.18%
2002	72.87%
2003	80.13%
2004	78.56%
2005	78.47%
2006	74.98%
2007	80.81%
2008	70.21%
2009	70.25%



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Residential-Detached Average Sale Price Average Annual Increase of 12%



Year	Residential-Detached Average Sale Price (\$)
'00	\$104,790
'01	\$100,390
'02	\$104,202
'03	\$115,074
'04	\$127,803
'05	\$143,649
'06	\$160,778
'07	\$182,456
'08	\$205,213
'09	\$217,370



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2009 Average Home

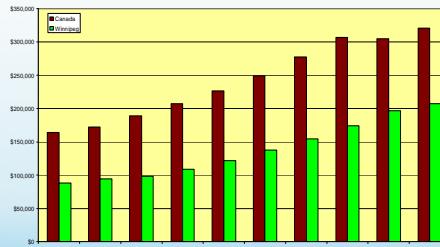


Sold Price \$217,000



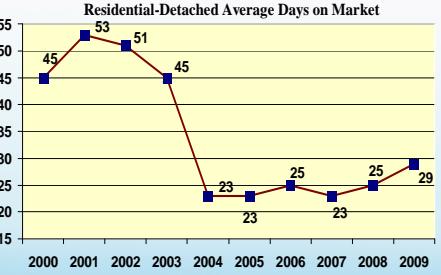
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MLS® Residential Average Price Comparison



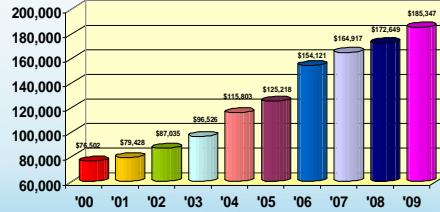

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Residential-Detached Average Days on Market




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Condominium Average Sale Price
Average Annual Increase of 14%




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2010 MLS® Forecast

- Consumer optimism high
- Holding on to housing affordability
- Immigration up 25% in first 9 months of 2009
- Low interest rates at least until third quarter
- Default position still goes to resale market
- Economy and job market remains positive
- Construction activity and infrastructure investment brisk
- Strong REALTOR® network and overall team



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2010 MLS® Forecast

	Forecast
Home Sales	2 - 4 %
Home Prices	6 %
Condo Prices	6 - 8 %
Total MLS® Dollar Volume	8 - 10 %



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Winnipeg's Cottage Country



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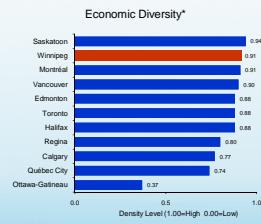
Winnipeg's Economy



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Moving forward in a tough North American economy through:

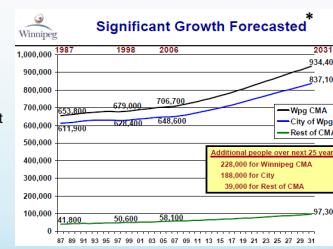
- Diversity
- Stability
- Resilience



*2009 Conference Board of Canada

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- Manitoba's population grew by nearly 16,000 (net) people during the last 12 months a 38-year high
- Represents an increase of 1.32 per cent , Canada's growth rate was 1.24 per cent during the same timeframe
- Projected Winnipeg CMA population growth over the next 25 years will be in the order of 230,000 people.
- Much of the growth is attributed to the success of the Provincial Nominee Program



*City of Winnipeg, September 2007

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- Northern hub of the Mid-Continent Trade Corridor. \$10 billion in annual two-way trade
- Winnipeg is a critical transportation centre between Vancouver and Toronto
- Centre of Canada's national inter-modal rail systems - east/west & north/south
- Central access point to ocean ports through Churchill and Thunder Bay
- Airport upgrading underway – new terminal for 2010
- Emerson / Pembina border 2nd busiest crossing in Western Canada



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- CentrePort Canada is our country's first Foreign Trade Zone (FTZ) and inland port
- Open for business next to Winnipeg's James Armstrong Richardson International Airport.
- CentrePort offers greenfield investment opportunities for a wide variety of sectors including distribution centres, warehousing and manufacturing.
- The inland port is the result of a dynamic partnership between government and the private sector.
- CentrePort Canada is being built on a foundation of trade and transportation assets that are unmatched anywhere in the region.
- CentrePort Canada is growing these assets with new investments in transportation infrastructure and in manufacturing and distribution facilities.
- North America located on the International Mid-Continent Trade and Transportation Corridor, providing ready access to major the US and Mexico. Provides Great East West Canadian Linkages.
- Asia direct access to Asian markets via Canada's Asia-Pacific Gateway. International marine shipping opportunities are increasing through the Port of Churchill and Thunder Bay.
- Europe direct access to northern trade routes provides entry to European markets. Air shipments can be transported via polar routes through Winnipeg's James Armstrong Richardson International Airport, while marine shipments are moving through the northern Port of Churchill.



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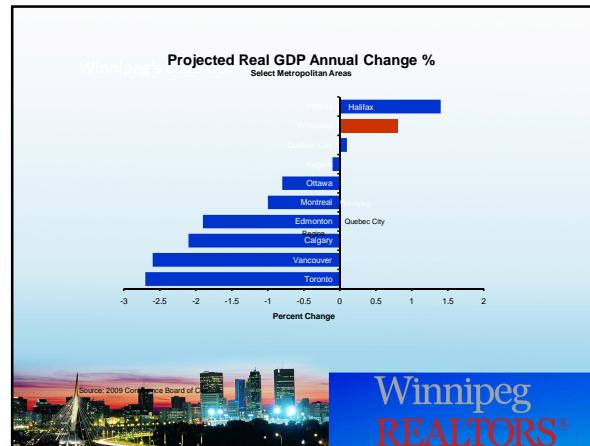
- The Canadian Museum for Human Rights will promote respect, understanding and an awareness of the role that each individual can play in furthering the dignity and rights of all citizens of the world;
- The Museum will be a catalyst for action, exhibition content and educational programming will have a transformative impact on the minds and the hearts of those it reaches;
- The Museum will be an exceptional national and international destination that encourages reflection and dialogue on human rights issues, sensitizes the world to the consequences of prejudice and results in greater respect for the rights of others;
- The Museum's programming will be housed in a magnificent and inspiring building that is worthy of its content and that becomes an internationally recognized symbol both of the ongoing struggle to defend human rights and of Canada's important role in that journey



CANADIAN MUSEUM for HUMAN RIGHTS
MUSÉE CANADIEN des DROITS de la PERSONNE



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- Real GDP growth of 0.8%(2009)* + (above Canada at only -1.9%)
- Retail Sales growth of -2.3% (2009)* -
- Personal Disposable Income increase projected at 0.5% (2009)* +
- Record real estate dollar volume – \$2.46 billion (2009), up 1.8% ↑**
- Housing starts down, after 19 year high ↓
- Employment increased by jobs or 0.3% (2009) +**
- Manufacturing (MB) shipments and exports -9.9% (Canada -19.9 %) -
- Unemployment rate increased to 5.2% for the year (Canada 8.4%)**

*Conference Board of Canada Metropolitan Outlook Autumn 2009
Other sources: Statistics Canada, WinnipegREALTORS®, CMHC



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Winnipeg Commercial Market Overview

- Stable and diversified economy
- Leasing and supply fundamentals in check
- Cash yield and long-term hold – passive nature of the Winnipeg market

Winnipeg Vacancy Trend:

Market	2007	2008	2009
Industrial Market	4.3%	3.2%	3.8%
Office Market	6.8%	5.4%	7.8%
Retail Market	3.4%	2.7%	2.6%



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Winnipeg Commercial Market Outlook

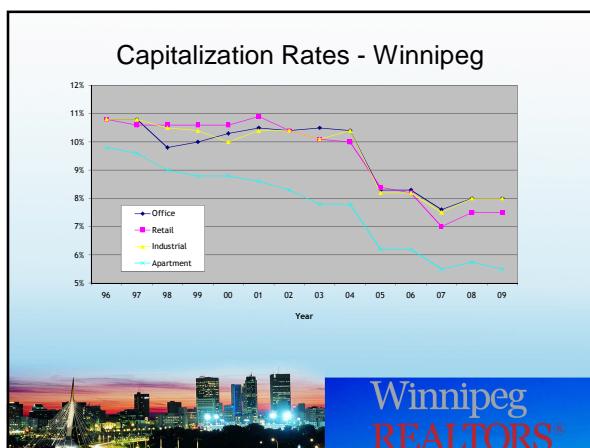
- The commercial market appears strong with available capital in Winnipeg outpacing current investment opportunities
- Not only do leasing, development, and supply fundamentals in Winnipeg appear in check, but the financial depth of the pension funds, institutions, and private owners means there will likely be little pressure to sell in the coming years
- Multi-residential assets are the most favoured in Winnipeg, despite a rent controlled environment and aggressive pricing (valuation vs. highest and best use)
- Critical levels of vacancy or business failure are not being seen which is also helping maintain strong confidence in our investment market



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Historical Winnipeg Leasing Overview – Annual Metrics

Industrial

Year End	Inventory (SF)	Net New Supply (SF)	Industrial Absorption (SF)	Vacancy (%)	Average Net Rent PSF
2005	7,750,239	1,719,916	1,611,955	12.4%	\$4.25
2006	78,209,000	350,000	98,623	4.8%	\$4.25
2007	79,522,280	313,280	690,854	4.3%	\$4.75
2008	79,002,993	480,713	1,314,673	3.2%	\$5.25
2009	79,114,047	111,054	-344,152	3.8%	\$5.50

Office

Year End	Inventory	Net New Supply (SF)	Absorption	Vacancy	Average Net Rent PSF
2005	10,230,239	1,719,916	354,197	7.8%	\$16.00
2006	13,506,671	278,432	351,261	7.1%	\$16.00
2007	13,565,651	58,980	95,489	6.8%	\$17.00
2008	13,667,549	101,898	286,315	5.4%	\$17.00
2009	14,861,996	1,194,447	774,687	7.8%	\$17.00

Retail

Year End	Inventory	Net New Supply (SF)	Absorption	Vacancy	Net Rent PSF
2005	11,527,666	103,589	N/A	3.5%	\$14-\$50
2006	12,219,904	692,238	N/A	3.3%	\$16-\$50
2007	12,422,966	203,062	N/A	3.4%	\$18-\$65
2008	12,068,918	645,972	N/A	2.7%	\$18-\$60
2009	13,201,594	134,656	N/A	2.6%	\$18-\$90

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